

COUNTY OF YORK

MEMORANDUM

DATE: May 22, 2003 (BOS Mtg. 06/17/03)

TO: York County Board of Supervisors

FROM: James O. McReynolds, County Administrator

SUBJECT: Tenancy in Common with School Board for Certain Property

For fiscal year ending June 30, 2003, York County will be required to implement a new financial reporting model referred to as GASB 34. One of the new aspects of this financial reporting model is to record fixed assets and related liabilities on the County's balance sheet.

School Boards in Virginia do not have the legal authority to issue debt to finance the acquisition, construction, and improvement of school property. As a result, the County issues the debt for these school projects. However, the School Board holds title to this property. Under the new financial reporting model, the asset value will be reported on the School Board's balance sheet and the related debt or liability will be reported on the County's balance sheet.

Virginia State Code 15.2-1800.1 provides for the County to acquire tenancy in common to some or all of the public school property in its locality to record the asset value on the localities balance sheet. However, the statute also allows a locality by resolution to elect not to acquire joint title to some or all public school property in connection with current or future financial obligations. Through discussions with School Board staff, staff has determined that the administrative burden to properly account for tenancy in common far outweighs any benefits the County staff and School Board staff have identified. Staff has therefore recommended the County elect not to acquire tenancy in common of school property.

I support staff's recommendation. Resolution R03-101 has been prepared for the Board's consideration. If adopted, this resolution will elect not to acquire tenancy in common of school property.

White/37007

Attachment

?? Code of Virginia § 15.2-1800.1

?? Proposed Resolution No. R03-101